

AMENDED IN SENATE JUNE 14, 2000
AMENDED IN ASSEMBLY MAY 15, 2000
AMENDED IN ASSEMBLY MAY 1, 2000
AMENDED IN ASSEMBLY APRIL 10, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2251

Introduced by Assembly Member Cox

February 24, 2000

An act to add Sections 702 and 1726 to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2251, as amended, Cox. Insurance: sales: Internet: disclosure.

Existing law requires a licensed insurance agent to have printed on specified documents their license number.

This bill would require any person who is licensed as an insurance agent or broker or an insurer that maintains a certificate of authority to transact insurance in this state, and advertises for the sale of insurance on the Internet and transacts insurance in this state, to provide on the Internet specified identifying information, including *a specified identification number or* an insurance license number or certificate of authority number. The bill would specify when a person advertising insurance on the Internet is transacting insurance in this state. The bill would require an insurer that

advertises on the Internet and is not admitted in California to follow specified provisions relating to advertising by nonadmitted insurers.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 702 is added to the Insurance
2 Code, to read:

3 702. (a) An insurer that maintains a certificate of
4 authority to transact insurance in this state, advertises
5 insurance on the Internet, and transacts insurance in this
6 state, shall identify all of the following information on the
7 Internet, regardless of whether the insurer maintains its
8 Internet presence or if the presence is maintained on its
9 behalf:

10 (1) Its name as it appears on its California certificate
11 of authority, and if different, the name approved by the
12 commissioner for doing business in this state.

13 (2) The address of its domicile and its principal place
14 of business.

15 (3) The number on its California certificate of
16 authority. *In lieu of this number, an insurer may identify*
17 *all states in which it maintains certificates of authority to*
18 *transact insurance, provided that the insurer discloses its*
19 *identification number as assigned by the National*
20 *Association of Insurance Commissioners.*

21 (b) An Internet presence maintained by or on behalf
22 of an insurer not admitted to transact insurance in this
23 state constitutes an advertisement, and the insurer shall
24 comply with the requirements of Section 703.1.

25 (c) A person who advertises on the Internet shall be
26 deemed to be transacting insurance in this state if the
27 person does any of the following:

28 (1) Provides an insurance premium quote specifically
29 to a California resident.

30 (2) Accepts an application for coverage from a
31 California resident.



(3) Otherwise communicates with a California resident regarding one or more terms of an agreement to provide insurance or an insurance policy.

This subdivision shall not apply when a person conveys a quote, accepts an application, and conducts all communications with a California resident solely through a surplus line broker or special lines' surplus line broker pursuant to California surplus line laws.

SEC. 2. Section 1726 is added to the Insurance Code, to read:

1726. (a) A person who is licensed in this state as an insurance agent or broker, advertises insurance on the Internet, and transacts insurance in this state, shall identify all of the following information on the Internet, regardless of whether the insurance agent or broker maintains his or her Internet presence or if the presence is maintained on his or her behalf:

(1) His or her name as it appears on his or her insurance license, and any fictitious name approved by the commissioner.

(2) The address of his or her domicile and principal place of business.

(3) His or her license number.

(b) A person shall be deemed to be transacting insurance in this state when the person advertises on the Internet, regardless of whether the insurance agent or broker maintains his or her Internet presence or if it is maintained on his or her behalf, and does any of the following:

(1) Provides an insurance premium quote to a California resident.

(2) Accepts an application for coverage from a California resident.

(3) Communicates with a California resident regarding one or more terms of an agreement to provide insurance or an insurance policy.